



Entered on Docket
July 03, 2007

A handwritten signature in black ink, appearing to read "R. B. Riegle".

Hon. Linda B. Riegle
United States Bankruptcy Judge

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13
14 UNITED STATES BANKRUPTCY COURT
15 DISTRICT OF NEVADA

16 —ooOoo—
17 In Re:
18 USA COMMERCIAL MORTGAGE
19 COMPANY, et al.
20 Debtors.
21 /

Case Nos.:
BK-S-06-10725-LBR
BK-S-06-10726-LBR
BK-S-06-10727-LBR
BK-S-06-10728-LBR
BK-S-06-10729-LBR

22 JOINTLY ADMINISTERED
23 Chapter 11

24 Affects:
25 All Debtors
 USA Commercial Mortgage Company
 USA Capital Realty Advisors, LLC
 USA Capital Diversified Trust Deed Fund, LLC
 USA Capital First Trust Deed Fund, LLC
 USA Securities, LLC
26 /

RECOMMENDATION FOR
WITHDRAWAL OF REFERENCE
PURSUANT TO 28 U.S.C. § 157(d)

Hearing Date: June 20, 2007
Hearing Time: 10:30 a.m.

27 This Court, having held a hearing on June 20, 2007, to determine whether it has subject
28 matter jurisdiction to adjudicate various disputes between Compass USA SPE, LLC and
Compass Financial Partners (collectively "Compass") and various direct lenders/investors in

1 Debtor USA Commercial Mortgage Company, including Donna Cangelosi, the Lenders
2 Protection Group and numerous direct lender Nevada limited liability companies (all such
3 direct lenders shall collectively be referred to as the “Direct Lenders”), as presented to this
4 Court in:

5 (a) the *Emergency Motion Of Compass Financial Partners LLC For Order*
6 *Pursuant To 11 U.S.C. §§ 105 And 1141 Enforcing Confirmation Order And*
7 *For Civil Contempt* (the “Compass Motion”) filed on May 25, 2007; and
8 (b) the *Complaint For Declaratory Relief And Damages*, filed on May 21, 2007,
9 by various Direct Lenders against Compass in the United States District Court
10 For The District Of Nevada as Case No. 07-CV-0224-ECR-VAC (the “Direct
11 Lenders’ Action”), which was purportedly “removed” to this Court by Compass
12 on May 25, 2007;

13 and, this Court having found (pursuant to a separate order) that it has subject matter
14 jurisdiction pursuant to 28 U.S.C. § 1334 to adjudicate disputes between Compass and Direct
15 Lenders as presented in the Compass Motion and the Direct Lenders’ Action, this Court
16 further finds that these disputes are appropriate for a withdrawal of the reference pursuant to
17 28 U.S.C. § 157(d), and therefore:

18 This Court hereby recommends that, pursuant to 28 U.S.C. § 157(d), the United
19 States District Court For The District Of Nevada withdraw the reference of all disputes
20 between Compass and Direct Lenders to this Court, including the Compass Motion and the
21 Direct Lenders Action, and that all such disputes between Compass and Direct Lenders be
22 heard and adjudicated by the District Court.

23 SUBMITTED by:
24 LAW OFFICES OF ALAN R. SMITH
25 By: /s/ Alan R. Smith
26 ALAN R. SMITH, ESQ.
27 Attorneys for Lenders Protection Group
28 and Donna Cangelosi

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